

to protect water resources from livestock runoff. The vetoed items fall outside the intended purposes of the fund.

For the above reasons, I respectfully disapprove these items in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in Senate File 2446 are hereby approved as of this date.

Sincerely,
TERRY E. BRANSTAD, Governor

CHAPTER 1215
APPROPRIATIONS – EDUCATION
H.F. 2477

AN ACT relating to the funding of, operation of, and appropriation of moneys to agencies, institutions, commissions, departments, and boards responsible for education and cultural programs of this state and making related statutory changes and providing effective date provisions.

Be It Enacted by the General Assembly of the State of Iowa:

COLLEGE STUDENT AID COMMISSION

Section 1. There is appropriated from the general fund of the state to the college student aid commission for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amounts, or so much thereof as may be necessary, to be used for the purposes designated:

1. GENERAL ADMINISTRATION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	342,797
.....	FTEs	7.05

The college student aid commission shall conduct a study of and consider possible differentiations in the grants awarded that are based upon parental income and assets under the Iowa tuition grant program and shall consider the reimbursement of grant moneys by a student if the student does not complete a term of study funded by an Iowa tuition grant or a vocational-technical tuition grant. The commission shall submit a report of its findings and recommendations to the general assembly by January 1, 1997.

2. UNIVERSITY OF OSTEOPATHIC MEDICINE AND HEALTH SCIENCES

a. For forgivable loans to Iowa students attending the university of osteopathic medicine and health sciences, under the forgivable loan program pursuant to section 261.19A:

.....	\$	379,260
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b. For the university of osteopathic medicine and health sciences for an initiative in primary health care to direct primary care physicians to shortage areas in the state:

.....	\$	395,000
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The moneys appropriated in this lettered paragraph shall be used as follows:

(1) To reduce student loan debt for primary care physicians in an amount not to exceed \$30,000 per student for a four-year period of medical service in medically underserved areas of the state.

(2) For tuition scholarships for students attending the university of osteopathic medicine and health sciences who agree to practice primary care medicine in medically underserved

areas of the state. The student shall practice in the state two years for every year of tuition. A person receiving funds under this subparagraph shall not be eligible for funds under subparagraph (1).

(3) For general administration costs of the university for the primary care initiative, the university shall expend an amount not to exceed \$50,000.

Within one month of the end of a fiscal quarter, the university of osteopathic medicine and health sciences shall submit a report to the legislative fiscal bureau concerning the expenditure of funds used pursuant to subparagraphs (1), (2), and (3) of this lettered paragraph. The university shall also submit the annual audit of the university to the legislative fiscal bureau within six months following the end of the year being audited.

The college student aid commission shall not provide moneys for subparagraphs (1) and (2) of this lettered paragraph until the university has signed and submitted contracts for the use of these moneys for reduction of student loan debt and tuition scholarships. Funds for subparagraph (3) of this lettered paragraph shall be provided quarterly to the university.

Notwithstanding section 8.33, the funds for this lettered paragraph shall not revert to the general fund but be available for expenditure the following fiscal year for purposes of subparagraphs (1) and (2).

The college student aid commission, the university of osteopathic medicine and health sciences, and the legislative fiscal bureau shall cooperatively develop and propose uniform time periods of medical practice which shall be served in the state in return for an allocation of state funds for purposes of the university of osteopathic medicine and health sciences. Proposals developed may relate to allocations of funds within a single appropriation concept and include contracting provisions. Proposals shall be submitted in a report to the general assembly by January 1, 1997.

3. STUDENT AID PROGRAMS

For payments to students for the Iowa grant program:

.....	\$	1,397,790
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Sec. 2. There is appropriated from the loan reserve account to the college student aid commission for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amount, or so much thereof as may be necessary, to be used for the purposes designated:

For operating costs of the Stafford loan program including salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	4,596,739
.....	FTEs	31.95

Sec. 3. Notwithstanding the maximum allowed balance requirement of the scholarship and tuition grant reserve fund as provided in section 261.20, there is appropriated from the scholarship and tuition grant reserve fund to the college student aid commission for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the funds remaining following transfer, pursuant to section 261.20 for the fiscal year ending June 30, 1995, which are to be divided equally for purposes of the Iowa vocational-tuition grants and the work study program. Funds appropriated in this section are in addition to funds appropriated in section 261.25, subsection 3, and section 261.85.

Sec. 4. **Not later than September 1, 1996, the college student aid commission shall compile a list of affected students receiving tuition grants during the fiscal year beginning July 1, 1995, and who transferred from a nonaccredited to an accredited private institution for the fiscal year beginning July 1, 1996. If the student meets all financial aid criteria as set forth by the commission, the transferring affected student may continue to receive a tuition grant for the fiscal year beginning July 1, 1996. The commission shall calculate the funds remaining from tuition grants awarded to affected students who do not transfer to an accredited private institution in the fiscal year beginning July 1, 1996. Notwithstanding section 261.25, subsection 1, the first \$200,000 of these funds shall be used for national guard tuition aid as provided in section*

*Item veto; see message at end of the Act

261.21 as enacted by this Act, the next \$115,000 shall be used for enhanced forgivable loans as provided in this section, the next \$100,000 shall be used for chiropractic graduate student forgivable loans as provided in section 261.71, the next \$15,000 shall be used to provide grants to students who would meet the requirements for receipt of a vocational-technical tuition grant, but who are enrolled in a licensed school of cosmetology arts and sciences under chapter 157, or a licensed barber school under chapter 158, and any excess remaining funds shall be used to award tuition grants to eligible students. For purposes of this paragraph, "affected student" means a qualified student for whom payment of a tuition grant was made under section 261.13 for one or more semesters or trimesters while the student was attending a private institution which was accredited as defined in section 261.9 for the fiscal year beginning July 1, 1995, but which does not meet the requirements for an accredited private institution for the fiscal year beginning July 1, 1996.

The amount of an enhanced forgivable loan issued under this section shall not exceed \$11,500.* To qualify for an enhanced forgivable loan a person shall do all of the following:

(1) Practice as a primary care physician in a community designated as underserved by state and federal authorities and which has a population of less than 20,000. A student must provide one year of practice for every year of loan forgiveness.

(2) Have shown superior academic achievement and demonstrated exceptional financial need during the last year of undergraduate study.

The commission shall prescribe by rule the terms of repayment and forgiveness. The rules shall be consistent with the requirements of section 261.19A. The commission shall deposit payments made by loan recipients into the fund created in section 261.19B.

DEPARTMENT OF CULTURAL AFFAIRS

Sec. 5. There is appropriated from the general fund of the state to the department of cultural affairs for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. ARTS DIVISION

For salaries, support, maintenance, miscellaneous purposes, including funds to match federal grants, for areawide arts and cultural service organizations that meet the requirements of chapter 303C, and for not more than the following full-time equivalent positions:

.....	\$	1,081,918
.....	FTEs	11.00

The Iowa arts council shall develop and implement a simplified, uniform grant application for use by all grant applicants and shall prescribe a uniform grant application renewal period for all grant applicants by January 15, 1997.

2. HISTORICAL DIVISION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	2,626,267
.....	FTEs	58.50

3. HISTORIC SITES

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	386,039
.....	FTEs	5.00

4. ADMINISTRATION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	250,227
.....	FTEs	4.30

*Item veto; see message at end of the Act

5. COMMUNITY CULTURAL GRANTS

For planning and programming for the community cultural grants program established under section 303.3, and for not more than the following full-time equivalent position:

.....	\$	707,721
.....	FTEs	0.70

DEPARTMENT OF EDUCATION

Sec. 6. There is appropriated from the general fund of the state to the department of education for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amounts, or so much thereof as may be necessary, to be used for the purposes designated:

1. GENERAL ADMINISTRATION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	5,378,382
.....	FTEs	96.95

The department of education shall conduct a study of the special education funding system with the following goals: increasing the capacity of the whole school to meet the needs of all children; increasing support available to "at-risk" students; and ensuring predictable and equitable special education funding at both the state and local levels. The study shall include, but is not limited to, an examination of the consequences of increasing the current special education weights and the impact that will have on those districts whose expenditures exceed the amounts generated under the present weighting plan and on those districts which are generating sufficient funds; the issues and feasibility of alternative special education funding systems based on school district experiences with involvement from representatives of the education community, including representatives from area education agencies, special education teachers, administrators, and advocacy groups; and the possibility of establishing a funding system to address students that are "at-risk" but are not currently eligible for special education services. The department shall submit its findings and specific recommendations in a report to the general assembly and the legislative fiscal bureau by January 1, 1997.

The department of education shall conduct a study of the trends in the number of students requiring services to become proficient in the English language and the current and projected costs related to providing such services by local school districts. The department shall report its findings and specific recommendations regarding funding to the general assembly and the legislative fiscal bureau by January 1, 1997.

The department of education, in consultation with the department of human services, shall conduct a study of the funding for educational programs provided for each child living with an individual licensed under chapter 237, or in a foster care or other facility as defined in sections 282.19 and 282.27. The recommendations developed shall include but not be limited to the funding structure and source of funding. The department shall submit a report of its findings and recommendations to chairpersons and ranking members of the joint appropriations subcommittee on education and the chairpersons and ranking members of the standing education committees by January 1, 1997.

The department of education shall review the reports required of the department by the general assembly since 1980 and shall catalog the progress, success, and failures of the general assembly in implementing or responding to the recommendations contained in those reports. The department shall submit its findings and recommendations to the chairpersons and ranking members of the joint appropriations subcommittee on education and the chairpersons and ranking members of the standing education committees of the senate and the house of representatives by January 1, 1997.

The department of education shall conduct a study of the means by which student employability skills may be measured, including but not limited to the employability skills of students at various levels of their secondary education and students who have graduated, the

*Item veto; see message at end of the Act

businesses that employ them, and the institutions of higher learning which admit the graduates. The department shall submit its findings and recommendations to the chairpersons and ranking members of the joint appropriations subcommittee on education and the chairpersons and ranking members of the standing education committees of the senate and the house of representatives by January 1, 1997.

The department of education shall submit an annual report of funds expended and activities accomplished in the K-12 and community college management information system to the general assembly and the legislative fiscal bureau by January 1, 1997. The department shall determine the goals of the K-12 and community college management information system and establish a timeline by which the goals shall be accomplished. The goals and timeline shall be included in the annual report submitted to the general assembly and the legislative fiscal bureau by January 1, 1997.

2. VOCATIONAL EDUCATION ADMINISTRATION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	656,057
.....	FTEs	18.60

3. BOARD OF EDUCATIONAL EXAMINERS

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	194,582
.....	FTEs	2.00

4. VOCATIONAL REHABILITATION DIVISION

a. For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	4,098,243
.....	FTEs	289.75

The division of vocational rehabilitation services of the department of education shall seek, in addition to state appropriations, funds other than federal funds, which may include but are not limited to local funds, for purposes of matching federal vocational rehabilitation funds.

Notwithstanding the full-time equivalent position limit established in this subsection for the fiscal year ending June 30, 1997, if federal funding is available to pay the costs of additional employees for the vocational rehabilitation division who would have duties relating to vocational rehabilitation services paid for through federal funding, authorization to hire not more than four full-time equivalent employees shall be provided, the full-time equivalent position limit shall be exceeded, and the additional employees shall be hired by the division.

b. For matching funds for programs to enable severely physically or mentally disabled persons to function more independently, including salaries and support, and for not more than the following full-time equivalent positions:

.....	\$	75,169
.....	FTEs	1.50

5. STATE LIBRARY

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	2,797,190
.....	FTEs	34.50

Reimbursement of the institutions of higher learning under the state board of regents for participation in the access plus program during the fiscal year beginning July 1, 1996, and ending June 30, 1997, shall not exceed the total amount of reimbursement paid to the regents institutions of higher learning for participation in the access plus program during the fiscal year beginning July 1, 1995, and ending June 30, 1996.

6. REGIONAL LIBRARY

For state aid:

.....	\$	1,537,000
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7. PUBLIC BROADCASTING DIVISION

For salaries, support, maintenance, capital expenditures, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	7,075,335
.....	FTEs	104.50

8. CAREER PATHWAYS PROGRAM

For purposes of developing and implementing a career pathways program to expand opportunities for youth and adults to become prepared for and succeed in high-wage, high-skill employment:

.....	\$	650,000
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Of the funds appropriated in this subsection, and from funds available pursuant to section 256.39, subsection 7, for each year during the fiscal period beginning July 1, 1996, and ending June 30, 1998, \$50,000 may be expended for purposes of employing an individual to administer and direct the career pathways program.

Notwithstanding section 8.33, unobligated and unencumbered money remaining on June 30, 1997, from the allocation made in this subsection shall not revert but shall be available for expenditure during the following fiscal year.

9. VOCATIONAL EDUCATION TO SECONDARY SCHOOLS

For reimbursement for vocational education expenditures made by secondary schools:

.....	\$	3,308,850
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Funds allocated in this subsection shall be used for expenditures made by school districts to meet the standards set in sections 256.11, 258.4, and 260C.14 as a result of the enactment of 1989 Iowa Acts, chapter 278. Funds shall be used as reimbursement for vocational education expenditures made by secondary schools in the manner provided by the department of education for implementation of the standards set in 1989 Iowa Acts, chapter 278.

10. SCHOOL FOOD SERVICE

For use as state matching funds for federal programs that shall be disbursed according to federal regulations, including salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	2,716,859
.....	FTEs	14.00

11. TEXTBOOKS OF NONPUBLIC SCHOOL PUPILS

To provide funds for costs of providing textbooks to each resident pupil who attends a nonpublic school as authorized by section 301.1. The funding is limited to \$20 per pupil and shall not exceed the comparable services offered to resident public school pupils:

.....	\$	616,000
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12. VOCATIONAL AGRICULTURE YOUTH ORGANIZATION

To assist a vocational agriculture youth organization sponsored by the schools to support the foundation established by that vocational agriculture youth organization and for other youth activities:

.....	\$	107,900
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13. FAMILY RESOURCE CENTERS

For support of the family resource center demonstration program established under chapter 256C:

.....	\$	120,000
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14. CENTER FOR ASSESSMENT

For the purpose of developing academic standards in the areas of math, history, science, English, language arts, and geography:

.....	\$	200,000
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The department of education shall submit in a report to the general assembly by January 1, 1997, the amount of state funding anticipated to be needed to fund the department's future participation with the center for assessment and shall determine the number of years participation is necessary.

15. COMMUNITY COLLEGES

Notwithstanding chapter 260D, if applicable, for general state financial aid, including general financial aid to merged areas in lieu of personal property tax replacement payments under section 427A.13, to merged areas as defined in section 260C.2, for vocational education programs in accordance with chapters 258 and 260C:

.....	\$	126,006,270
The funds appropriated in this subsection shall be allocated as follows:		
a. Merged Area I	\$	6,011,556
b. Merged Area II	\$	7,088,572
c. Merged Area III	\$	6,693,483
d. Merged Area IV	\$	3,261,020
e. Merged Area V	\$	6,820,986
f. Merged Area VI	\$	6,321,009
g. Merged Area VII	\$	9,016,757
h. Merged Area IX	\$	11,055,518
i. Merged Area X	\$	17,159,800
j. Merged Area XI	\$	18,467,633
k. Merged Area XII	\$	7,281,649
l. Merged Area XIII	\$	7,447,594
m. Merged Area XIV	\$	3,303,347
n. Merged Area XV	\$	10,303,739
o. Merged Area XVI	\$	5,773,608

Of the moneys allocated to merged area XI in paragraph "j", for the fiscal year beginning July 1, 1996, and ending June 30, 1997, \$135,000 shall be expended on the career opportunity program established in section 260C.29 to provide assistance to minority persons who major in fields or subject areas where minorities are currently underutilized.

By January 1, 1997, the department of education, in consultation with the Iowa association of community college trustees, shall submit recommendations for a funding formula that identifies and addresses community college needs.

Unless the board of directors of a community college filed a dental hygiene program intent form with the department of education by December 1, 1995, the board shall not authorize the creation of a dental hygienist program until after the adjournment of the first regular session of the Seventy-seventh General Assembly.

Sec. 7. The board of directors of each community college shall submit to the department of education and the legislative fiscal bureau, by August 15, 1996, on forms designed by the department of education in consultation with the community colleges, information which shall include, but is not limited to, the following:

1. The number of full-time and part-time students enrolled in each program offered by the community college, listed by program.
2. The number of and any appropriate demographic information, including salaries of full-time and part-time staff, relating to the faculty, administration, and support personnel employed at each community college.
3. The full-time equivalent total of persons employed as identified in subsection 2.
4. Tuition charges, fees, and other costs payable to the community college by a student.
5. The types of degrees granted by the community college and the number of students receiving these degrees.
6. The amounts of revenues and expenditures from state financial aid, federal funds, tax levies, projects authorized under chapters 260E and 260F, tuition, bonds, other local sources, foundation sources, and donations and gifts that may be accepted by the governing board of a community college.
7. An inventory of buildings and facilities owned and leased by the community college, and any related operation and maintenance costs.

8. Infrastructure plans, which shall include, but are not limited to, the amounts expended in the current fiscal year on renovation and construction, and any future plans and projected costs for expansion.

The department of education may withhold from a community college any state financial assistance appropriated to the department for allocation to the community college for the fiscal year beginning July 1, 1996, and ending June 30, 1997, if the community college fails to substantially meet the requirements of this section.

Sec. 8. Notwithstanding section 8.33 and 1995 Iowa Acts, chapter 218, section 1, subsection 17, funds appropriated and allocated for advanced placement pursuant to 1995 Iowa Acts, chapter 218, section 1, subsection 17, remaining unencumbered and unobligated on June 30, 1996, shall not revert to the general fund of the state but shall be distributed to the department of education for the fiscal year beginning July 1, 1996, and ending June 30, 1997, as follows:

1. The amount of \$50,000 for participation by the department of education in a state and national project, the national assessment of education progress (NAEP), to determine the academic achievement of Iowa students in math, reading, science, United States history, or geography.

2. The amount of \$19,000 for purposes of providing grants to support qualifying teams for a worldwide academic competition.

If funds available from the specified source under this section are insufficient to fully fund the appropriations made in this section, the amounts appropriated to the department for the purposes specified under this section shall be reduced proportionately.

Sec. 9. DEPARTMENT OF EDUCATION INTERIM MEETING. It is the intent of the general assembly that the chairpersons and ranking members of the joint appropriations subcommittee on education, the legislative fiscal bureau, and the legislative service bureau meet with representatives from the international center for gifted and talented education and the first in the nation in education foundation during the 1996 legislative interim period to determine and recommend a permanent funding source and the amount of funding needed to support the center and the foundation.

Sec. 10. INTERNATIONAL CENTER FOR GIFTED AND TALENTED EDUCATION. It is the intent of the general assembly that the international center for gifted and talented education fund the gifted and talented summer institute during the fiscal year beginning July 1, 1996, from the moneys appropriated to the international center for gifted and talented education pursuant to section 257B.1A for the fiscal year beginning July 1, 1996, and ending June 30, 1997.

Sec. 11. Notwithstanding section 257B.1A, subsection 5, as amended by 1996 Iowa Acts, House File 570,* and this Act, for the fiscal year beginning July 1, 1996, and ending June 30, 1997, 50 percent of the interest remaining in the interest for Iowa schools fund after the total of the transfer of moneys to the first in the nation in education foundation pursuant to section 257B.1A, subsection 2, and after the transfer of moneys to the international center endowment fund in section 257B.1A, subsection 3, paragraph "a", shall, in addition, be transferred to the international center endowment fund and the remaining 50 percent, rather than become a part of the interest for Iowa schools fund, shall be transferred to the first in the nation in education foundation.

STATE BOARD OF REGENTS

Sec. 12. There is appropriated from the general fund of the state to the state board of regents for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amounts, or so much thereof as may be necessary, to be used for the purposes designated:

1. OFFICE OF STATE BOARD OF REGENTS

*Chapter 1184 herein

a. For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	1,137,417
.....	FTEs	15.63

If the moneys provided in this lettered paragraph are augmented by reimbursements from the institutions under the control of the state board of regents for the funding of the office of the state board of regents, the office shall report quarterly such reimbursements to the chairpersons and ranking members of the joint appropriations subcommittee on education.

The board shall prepare a quarterly report, regarding the board office budget and the reimbursements provided to the board by the institutions of higher learning under the control of the board, which shall be submitted quarterly to the general assembly and the legislative fiscal bureau.

b. For allocation by the state board of regents to the state university of Iowa, the Iowa state university of science and technology, and the university of northern Iowa to reimburse the institutions for deficiencies in their operating funds resulting from the pledging of tuitions, student fees and charges, and institutional income to finance the cost of providing academic and administrative buildings and facilities and utility services at the institutions:

.....	\$	26,984,350
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The state board of regents, the department of management, and the legislative fiscal bureau shall cooperate to determine and agree upon, by November 15, 1996, the amount that needs to be appropriated for tuition replacement for the fiscal year beginning July 1, 1997.

c. For funds to be allocated to the southwest Iowa graduate studies center:

.....	\$	104,156
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d. For funds to be allocated to the siouxland interstate metropolitan planning council for the tristate graduate center under section 262.9, subsection 21:

.....	\$	74,511
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e. For funds to be allocated to the quad-cities graduate studies center:

.....	\$	154,278
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It is the intent of the general assembly that the state board of regents explore options relating to locating the graduate centers under its control within the appropriate campuses of the community college system, and that the board consider the benefits of fully utilizing the Iowa communications network to maximize efficiency. The board shall review options regarding relocation of the centers and submit recommendations to the legislative fiscal bureau and the joint appropriations subcommittee on education by January 1, 1997.

2. STATE UNIVERSITY OF IOWA

a. General university, including lakeside laboratory

For salaries, support, maintenance, equipment, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	202,702,328
.....	FTEs	4,022.97

b. For the primary health care initiative in the college of medicine and for not more than the following full-time equivalent positions:

.....	\$	771,000
.....	FTEs	11.00

From the moneys appropriated in this lettered paragraph, \$330,000 shall be allocated to the department of family practice at the state university of Iowa college of medicine for family practice faculty and support staff.

c. University hospitals

For salaries, support, maintenance, equipment, and miscellaneous purposes and for medical and surgical treatment of indigent patients as provided in chapter 255, for medical education, and for not more than the following full-time equivalent positions:

.....	\$	29,452,383
.....	FTEs	5,701.67

*Item veto; see message at end of the Act

The university of Iowa hospitals and clinics shall submit quarterly a report regarding the portion of the appropriation in this lettered paragraph expended on medical education. The report shall be submitted in a format jointly developed by the university of Iowa hospitals and clinics, the legislative fiscal bureau, and the department of management, and shall delineate the expenditures and purposes of the funds.

Funds appropriated in this lettered paragraph shall not be used to perform abortions except medically necessary abortions, and shall not be used to operate the early termination of pregnancy clinic except for the performance of medically necessary abortions. For the purpose of this lettered paragraph, an abortion is the purposeful interruption of pregnancy with the intention other than to produce a live-born infant or to remove a dead fetus, and a medically necessary abortion is one performed under one of the following conditions:

(1) The attending physician certifies that continuing the pregnancy would endanger the life of the pregnant woman.

(2) The attending physician certifies that the fetus is physically deformed, mentally deficient, or afflicted with a congenital illness.

(3) The pregnancy is the result of a rape which is reported within 45 days of the incident to a law enforcement agency or public or private health agency which may include a family physician.

(4) The pregnancy is the result of incest which is reported within 150 days of the incident to a law enforcement agency or public or private health agency which may include a family physician.

(5) The abortion is a spontaneous abortion, commonly known as a miscarriage, wherein not all of the products of conception are expelled.

The total quota allocated to the counties for indigent patients for the fiscal year beginning July 1, 1996, shall not be lower than the total quota allocated to the counties for the fiscal year commencing July 1, 1995. The total quota shall be allocated among the counties on the basis of the 1990 census pursuant to section 255.16.

d. Psychiatric hospital

For salaries, support, maintenance, equipment, miscellaneous purposes, for the care, treatment, and maintenance of committed and voluntary public patients, and for not more than the following full-time equivalent positions:

.....	\$	7,225,868
.....	FTEs	307.05

e. Hospital-school

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	5,938,345
.....	FTEs	167.10

f. Oakdale campus

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	2,896,269
.....	FTEs	63.58

g. State hygienic laboratory

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	3,309,148
.....	FTEs	102.49

h. Family practice program

For allocation by the dean of the college of medicine, with approval of the advisory board, to qualified participants, to carry out chapter 148D for the family practice program, including salaries and support, and for not more than the following full-time equivalent positions:

.....	\$	2,060,917
.....	FTEs	180.74

i. Child health care services

For specialized child health care services, including childhood cancer diagnostic and treatment network programs, rural comprehensive care for hemophilia patients, and the Iowa high-risk infant follow-up program, including salaries and support, and for not more than the following full-time equivalent positions:

.....	\$	464,274
.....	FTEs	10.60

j. Agricultural health and safety programs

For agricultural health and safety programs, and for not more than the following full-time equivalent positions:

.....	\$	253,213
.....	FTEs	3.48

k. Statewide cancer registry

For the statewide cancer registry, and for not more than the following full-time equivalent positions:

.....	\$	195,167
.....	FTEs	3.07

l. Substance abuse consortium

For funds to be allocated to the Iowa consortium for substance abuse research and evaluation, and for not more than the following full-time equivalent positions:

.....	\$	64,396
.....	FTEs	1.15

m. Center for biocatalysis

For the center for biocatalysis, and for not more than the following full-time equivalent positions:

.....	\$	1,017,000
.....	FTEs	14.40

n. National advanced driving simulator

For the national advanced driving simulator, and for not more than the following full-time equivalent positions:

.....	\$	608,448
.....	FTEs	3.58

It is the intent of the general assembly that fiscal year 1997-1998 shall be the last fiscal year in which the general assembly appropriates funds for purposes of the planning and construction of the national advanced driving simulator.

o. Research park

For salaries, support, maintenance, equipment, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	321,000
.....	FTEs	4.35

3. IOWA STATE UNIVERSITY OF SCIENCE AND TECHNOLOGY

a. General university

For salaries, support, maintenance, equipment, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	161,084,066
.....	FTEs	3,583.64

Of the funds appropriated in this lettered paragraph, for the fiscal year beginning July 1, 1996, and ending June 30, 1997, \$40,000 shall be expended for purposes of the institute of public leadership.

Of the funds appropriated in this lettered paragraph, for the fiscal year beginning July 1, 1996, and ending June 30, 1997, \$1,700,000 shall be expended for purposes of the healthy livestock program.

b. Agricultural experiment station

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	31,754,200
.....	FTEs	546.98

c. Cooperative extension service in agriculture and home economics

For salaries, support, maintenance, miscellaneous purposes, including salaries and support for the fire service institute, and for not more than the following full-time equivalent positions:

.....	\$	19,280,398
.....	FTEs	431.85

By January 1, 1997, Iowa state university of science and technology shall submit a report concerning the population served and each service provided by the Iowa cooperative extension service in agriculture and home economics to the chairpersons and ranking members of the joint appropriations subcommittee on education and the legislative fiscal bureau.

d. Leopold center

For agricultural research grants at Iowa state university under section 266.39B, and for not more than the following full-time equivalent positions:

.....	\$	560,593
.....	FTEs	11.25

e. Livestock disease research

For deposit in and the use of the livestock disease research fund under section 267.8, and for not more than the following full-time equivalent positions:

.....	\$	276,022
.....	FTEs	3.17

f. Research park

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	370,000
.....	FTEs	4.31

4. UNIVERSITY OF NORTHERN IOWA

a. General university

For salaries, support, maintenance, equipment, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	72,083,159
.....	FTEs	1,425.50

b. Recycling and reuse center

.....	\$	239,745
-------	----	---------

c. Metal casting

.....	\$	160,000
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5. STATE SCHOOL FOR THE DEAF

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	6,703,655
.....	FTEs	124.14

6. IOWA BRAILLE AND SIGHT SAVING SCHOOL

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	3,736,503
.....	FTEs	83.68

7. TUITION AND TRANSPORTATION COSTS

For payment to local school boards for the tuition and transportation costs of students residing in the Iowa braille and sight saving school and the state school for the deaf pursuant

to section 262.43 and for payment of certain clothing and transportation costs for students at these schools pursuant to section 270.5:

..... \$ 11,882

Sec. 13. If revenues received by the state board of regents from indirect cost reimbursements, refunds and reimbursements, interest, and other categories within the general operating budgets of the institutions of higher learning under the control of the regents equal an amount greater than the original budget approved by the regents board for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the increase shall be used for building repair, deferred maintenance, or fire safety at the respective institutions of higher learning under the control of the board, and shall not be used to increase budget ceilings adopted by the regents board.

Sec. 14. Reallocations of sums received under section 12, subsections 2, 3, 4, 5, and 6, of this Act, including sums received for salaries, shall be reported on a quarterly basis to the co-chairpersons and ranking members of the legislative fiscal committee and the joint appropriations subcommittee on education.

Sec. 15. It is the intent of the general assembly that \$328,155 of the money appropriated to the university of northern Iowa for the fiscal year beginning July 1, 1996, and ending June 30, 1997, in 1996 Iowa Acts, Senate File 2195,** section 3, if enacted, shall be treated by the department of management in the same manner as the money appropriated under the general university category for the university of northern Iowa in section 12, subsection 4, paragraph "a", of this Act.

Sec. 16. Notwithstanding section 8.33, funds appropriated in 1995 Iowa Acts, chapter 218, section 6, subsection 1, paragraph "b", remaining unencumbered or unobligated on June 30, 1996, shall not revert to the general fund of the state but shall be available for expenditure for the purposes listed in section 12, subsection 1, paragraph "b", of this Act during the fiscal year beginning July 1, 1996, and ending June 30, 1997.

Sec. 17. MEDICAL ASSISTANCE – SUPPLEMENTAL AMOUNTS. For the fiscal year beginning July 1, 1996, and ending June 30, 1997, the department of human services shall continue the supplemental disproportionate share and a supplemental indirect medical education adjustment applicable to state-owned acute care hospitals with more than 500 beds and shall reimburse qualifying hospitals pursuant to that adjustment with a supplemental amount for services provided medical assistance recipients. The adjustment shall generate supplemental payments intended to equal the state appropriation made to a qualifying hospital for treatment of indigent patients as provided in chapter 255. To the extent of the supplemental payments, a qualifying hospital shall, after receipt of the funds, transfer to the department of human services an amount equal to the actual supplemental payments that were made in that month. The aggregate amounts for the fiscal year shall not exceed the state appropriation made to the qualifying hospital for treatment of indigent patients as provided in chapter 255. The department of human services shall deposit the portion of these funds equal to the state share in the department's medical assistance account and the balance shall be credited to the general fund of the state. To the extent that state funds appropriated to a qualifying hospital for the treatment of indigent patients as provided in chapter 255 have been transferred to the department of human services as a result of these supplemental payments made to the qualifying hospital, the department shall not, directly or indirectly, recoup the supplemental payments made to a qualifying hospital for any reason, unless an equivalent amount of the funds transferred to the department of human services by a qualifying hospital pursuant to this provision is transferred to the qualifying hospital by the department.

If the state supplemental amount allotted to the state of Iowa for the federal fiscal year beginning October 1, 1996, and ending September 30, 1997, pursuant to section 1923 (f)(3) of the federal Social Security Act, as amended, or pursuant to federal payments for indirect medical education is greater than the amount necessary to fund the federal share of the

*Item veto; see message at end of the Act
**Chapter 1209 herein

supplemental payments specified in the preceding paragraph, the department of human services shall increase the supplemental disproportionate share or supplemental indirect medical education adjustment by the lesser of the amount necessary to utilize fully the state supplemental amount or the amount of state funds appropriated to the state university of Iowa general education fund and allocated to the university for the college of medicine. The state university of Iowa shall transfer from the allocation for the college of medicine to the department of human services, on a monthly basis, an amount equal to the additional supplemental payments made during the previous month pursuant to this paragraph. A qualifying hospital receiving supplemental payments pursuant to this paragraph that are greater than the state appropriation made to the qualifying hospital for treatment of indigent patients as provided in chapter 255 shall be obligated as a condition of its participation in the medical assistance program to transfer to the state university of Iowa general education fund on a monthly basis an amount equal to the funds transferred by the state university of Iowa to the department of human services. To the extent that state funds appropriated to the state university of Iowa and allocated to the college of medicine have been transferred to the department of human services as a result of these supplemental payments made to the qualifying hospital, the department shall not, directly or indirectly, recoup these supplemental payments made to a qualifying hospital for any reason, unless an equivalent amount of the funds transferred to the department of human services by the state university of Iowa pursuant to this paragraph is transferred to the qualifying hospital by the department.

Continuation of the supplemental disproportionate share and supplemental indirect medical education adjustment shall preserve the funds available to the university hospital for medical and surgical treatment of indigent patients as provided in chapter 255 and to the state university of Iowa for educational purposes at the same level as provided by the state funds initially appropriated for that purpose.

The department of human services shall, in any compilation of data or other report distributed to the public concerning payments to providers under the medical assistance program, set forth reimbursements to a qualifying hospital through the supplemental disproportionate share and supplemental indirect medical education adjustment as a separate item and shall not include such payments in the amounts otherwise reported as the reimbursement to a qualifying hospital for services to medical assistance recipients.

For purposes of this section, "supplemental payment" means a supplemental payment amount paid for medical assistance to a hospital qualifying for that payment under this section.

Sec. 18. For the fiscal year beginning July 1, 1996, and ending June 30, 1997, the state board of regents may use notes, bonds, or other evidences of indebtedness issued under section 262.48 to finance projects that will result in energy cost savings in an amount that will cause the state board to recover the cost of the projects within an average of six years.

Sec. 19. Notwithstanding section 270.7, the department of revenue and finance shall pay the state school for the deaf and the Iowa braille and sight saving school the moneys collected from the counties during the fiscal year beginning July 1, 1996, for expenses relating to prescription drug costs for students attending the state school for the deaf and the Iowa braille and sight saving school.

Sec. 20. Section 11.6, subsection 1, paragraph a, unnumbered paragraph 1, Code 1995, is amended to read as follows:

The financial condition and transactions of all cities and city offices, counties, county hospitals organized under chapters 347 and 347A, memorial hospitals organized under chapter 37, entities organized under chapter 28E having gross receipts in excess of one hundred thousand dollars in a fiscal year, merged areas, area education agencies, and all school offices in school districts, shall be examined at least once each year, except that cities having a population of seven hundred or more but less than two thousand shall be examined at least

once every four years, and cities having a population of less than seven hundred may be examined as otherwise provided in this section. The examination shall cover the fiscal year next preceding the year in which the audit is conducted. The examination of school offices shall include an audit of all school funds, the certified annual financial report, and the certified enrollment as provided in section 257.6. ~~Examinations of community colleges shall include an audit of eligible and noneligible contact hours as defined in section 260D.2. Eligible and noneligible contact hours and any differences~~ Differences in certified enrollment shall be reported to the department of management.

Sec. 21. Section 256.52, subsections 1 and 2, Code 1995, are amended to read as follows:

1. The state commission of libraries consists of one member appointed by the supreme court, ~~the director of the department of education, or the director's designee~~, and six members appointed by the governor to serve four-year terms beginning and ending as provided in section 69.19. Of the governor's appointees, one member shall be from the medical profession and five members selected at large. Not more than three of the members appointed by the governor shall be of the same gender. The members shall be reimbursed for their actual expenditures necessitated by their official duties. Members may also be eligible for compensation as provided in section 7E.6.

2. The commission shall elect one of its members as chairperson. The commission shall meet at the time and place specified by call of the chairperson. ~~Four~~ Five members are a quorum for the transaction of business.

Sec. 22. Section 257.31, subsection 16, Code 1995, is amended to read as follows:

16. The committee shall perform the duties assigned to it under ~~chapter 260D and section sections 257.32 and 260C.18B.~~

**Sec. 23. Section 257B.1A, subsections 2 through 4, if enacted by 1996 Iowa Acts, House File 570, are amended to read as follows:*

2. *For a transfer of moneys from the interest for Iowa schools fund to the first in the nation in education foundation, prior to July 1, October 1, January 1, and March 1 of each year, the governing board of the first in the nation in education foundation established in section 257A.2 shall certify to the treasurer of state the cumulative total value of cash contributions received under section 257A.7 for deposit in the first in the nation in education fund and for the use of the foundation. ~~The value of in-kind contributions shall be based upon the fair market value of the contribution determined for income tax purposes.~~*

The portion of the permanent school fund that is equal to the cumulative total value of cash contributions, less the portion of the permanent school fund dedicated to the international center for gifted and talented education, is dedicated to the first in the nation in education foundation for that year. The interest earned on this dedicated amount shall be transferred by the treasurer of state to the credit of the first in the nation in education foundation.

3. a. *For a transfer of moneys from the interest for Iowa schools fund to the international center endowment fund established in section 263.8A, prior to July 1, October 1, January 1, and March 1 of each year, the state university of Iowa shall certify to the treasurer of state the cumulative total value of cash contributions received and deposited in the international center endowment fund. Within fifteen days following certification by the state university of Iowa, the treasurer of state shall transfer from the interest for Iowa schools fund to the international center an amount equal to the amount of interest earned on the portion of the permanent school fund that is equal to one-half the cumulative total value of the cash contributions deposited in the international center endowment fund, not to exceed eight hundred seventy-five thousand dollars.*

b. *However, if prior to July 1, 1998, the general assembly appropriates moneys for the international center endowment fund established in section 263.8A in an aggregate amount equal to eight hundred seventy-five thousand dollars, the transfer of the interest earned based upon the cumulative value of cash contributions equal to one million seven hundred fifty*

**Item veto; see message at end of the Act*

thousand dollars deposited in the international center endowment fund on July 1, 1995, is no longer required under this section. If, on or after July 1, 1998, the general assembly appropriates moneys for the international center endowment fund in an aggregate amount equal to six hundred seventy-five thousand dollars, the transfer of interest earned based upon the cumulative value of cash contributions equal to one million three hundred fifty thousand dollars deposited in the international center endowment fund between July 1, 1995, and June 30, 1998, is no longer required under this section.

4. In addition to the moneys transferred pursuant to subsection 3, paragraph "a", effective on the date on which the cumulative total value of cash contributions deposited in the international center endowment fund between July 1, 1995, and June 30, 1998, equals or exceeds one million three hundred fifty thousand dollars, and annually thereafter, the treasurer of state shall transfer moneys from the interest for Iowa schools fund to the international center endowment fund in an amount equal to the interest earned on six hundred seventy-five thousand dollars in the permanent school fund.*

Sec. 24. Section 260C.2, Code 1995, is amended by adding the following new subsection: **NEW SUBSECTION.** 2A. "Instructional cost center" means one of the following areas of course offerings of the community colleges:

- a. Arts and sciences cost center.
- b. Vocational-technical preparatory cost center.
- c. Vocational-technical supplementary cost center.
- d. Adult basic education and high school completion cost center.
- e. Continuing and general education cost center.

Sec. 25. Section 260C.4, subsection 4, paragraph h, Code 1995, is amended to read as follows:

h. This subsection is void and shall be stricken from the Code effective June 30, ~~1995~~ 1998, except as provided in section 260C.47.

Sec. 26. Section 260C.14, Code 1995, is amended by adding the following new subsection:

NEW SUBSECTION. 22. Provide, within a reasonable time, information as requested by the departments of management and education.

Sec. 27. Section 260C.18, subsection 4, Code 1995, is amended to read as follows:

4. State aid and supplemental state aid to be paid in accordance with the statutes which provide such aid.

Sec. 28. **NEW SECTION.** 260C.18A STATE AID.

For the fiscal year beginning July 1, 1996, and for each succeeding fiscal year, moneys appropriated by the general assembly from the general fund of the state to the department of education for community college purposes for general state financial aid, including general financial aid to merged areas in lieu of personal property tax replacement payments under section 427A.13, to merged areas as defined in section 260C.2, and for vocational education programs in accordance with chapters 258 and 260C, for a fiscal year, shall be allocated to each community college by the department of education in the proportion that the allocation to that community college in 1995 Iowa Acts, chapter 218, section 1, subsection 19, bears to the total appropriation made in 1995 Iowa Acts, chapter 218, section 1, subsection 19.

Sec. 29. **NEW SECTION.** 260C.18B COMMUNITY COLLEGE BUDGET REVIEW.

1. A community college budget review procedure is established for the school budget review committee created in section 257.30. The school budget review committee, in addition to its duties under chapter 257, shall meet and hold hearings each year under this chapter to review unusual circumstances of community colleges, either upon the committee's motion or upon the request of a community college. The committee may grant supplemental state aid to

*Item veto; see message at end of the Act

the community college from funds appropriated to the department of education for community college budget review purposes.

Unusual circumstances shall include but not be limited to the following:

- a. An unusual increase or decrease in enrollment or contact hours.
 - b. Natural disasters.
 - c. Unusual staffing problems.
 - d. Unusual necessity for additional funds to permit continuance of a course or program in an instructional cost center which provides substantial benefit to students.
 - e. Unusual need for a new course or program in an instructional cost center which will provide substantial benefit to students, if the community college establishes the need and the amount of necessary increased cost.
 - f. Unique problems of community colleges to include vandalism, civil disobedience, and other costs incurred by community colleges.
2. When the school budget review committee makes a decision under subsection 1, it shall provide written notice of its decision, including the amount of supplemental state aid approved, to the board of directors of the community college and to the department of education.
3. All decisions by the school budget review committee under this chapter shall be made in accordance with reasonable and uniform policies which shall be consistent with this chapter.
4. Failure by a community college to provide information or appear before the school budget review committee as requested for the accomplishment of review or hearing constitutes justification for the committee to instruct the department of revenue and finance to withhold supplemental state aid to that community college until the committee's inquiries are satisfied completely.

Sec. 30. Section 260C.22, Code 1995, is amended by adding the following new subsection:

NEW SUBSECTION. 4. The board of directors of any merged area that failed to certify for levy under subsection 3 by March 15, 1982, and March 15, 1983, may certify for levy by April 15, 1997, and April 15, 1998, a tax on taxable property in the merged area at rates that will provide total revenues for the two years equal to five percent of the area school's general fund expenditures for the fiscal year ending June 30, 1995, in order to provide a cash reserve for that area school. As nearly as possible, one-half the revenue for the cash reserve fund shall be collected during each year.

The revenues derived from the levies shall be placed in a separate cash reserve fund. Notwithstanding subsection 3, moneys from the cash reserve fund established by a merged area under subsection 3 or this subsection shall be used only to alleviate temporary cash shortages **and for the acquisition, lease, lease-purchase, installation, and maintenance of instructional technology equipment, including hardware and software, materials and supplies, and staff development and training related to instructional technology.** If moneys from the cash reserve fund are used to alleviate a temporary cash shortage, the cash reserve fund shall be reimbursed immediately from the general fund of the community college as funds in the general fund become available, but in no case later than June 30 of the current fiscal year, to repay the funds taken from the cash reserve fund.

Sec. 31. Section 260C.29, subsection 3, Code Supplement 1995, is amended by adding the following new paragraphs:

NEW PARAGRAPH. f. Contract with other community colleges to expand the availability of program services and increase the number of students served by the program.

NEW PARAGRAPH. g. Establish a separate account, which shall consist of all appropriations, grants, contributions, bequests, endowments, or other moneys or gifts received specifically for purposes of the program by the community college administering the program as provided in subsection 2. Not less than eighty percent of the funds received from state appropriations for purposes of the program shall be used for purposes of assistance to students as provided in subsection 5.

*Item veto; see message at end of the Act

Sec. 32. Section 260C.34, Code 1995, is amended to read as follows:
260C.34 USES OF FUNDS.

Funds obtained pursuant to section 260C.17; section 260C.18, subsections 3, 4, and 5 of ~~section 260C.18~~; ~~section and sections 260C.18A, 260C.18B~~, 260C.19; and ~~section 260C.22~~ shall not be used for the construction or maintenance of athletic buildings or grounds but may be used for a project under section 260C.56.

Sec. 33. Section 260C.39, unnumbered paragraph 5, Code 1995, is amended to read as follows:

The terms of employment of personnel, for the academic year following the effective date of the agreement to combine the merged areas shall not be affected by the combination of the merged areas, except in accordance with the procedures under sections 279.15 to 279.18 and section 279.24, to the extent those procedures are applicable, or under the terms of the base bargaining agreement. The authority and responsibility to offer new contracts or to continue, modify, or terminate existing contracts pursuant to any applicable procedures under chapter 279, shall be transferred to the acting, and then to the new, board of the combined merged area upon certification of a favorable vote to each of the merged areas affected by the agreement. The collective bargaining agreement of the merged area ~~with the largest number of contact hours eligible for receiving the greatest amount of general state aid, as defined under section 260D.2~~, shall serve as the base agreement for the combined merged area and the employees of the merged areas which combined to form the new combined merged area shall automatically be accreted to the bargaining unit from that former merged area for purposes of negotiating the contracts for the following years without further action by the public employment relations board. If only one collective bargaining agreement is in effect among the merged areas which are combining under this section, then that agreement shall serve as the base agreement, and the employees of the merged areas which are combining to form the new combined merged area shall automatically be accreted to the bargaining unit of that former merged area for purposes of negotiating the contracts for the following years without further action by the public employment relations board. The board of the combined merged area, using the base agreement as its existing contract, shall bargain with the combined employees of the merged areas that have agreed to combine for the academic year beginning with the effective date of the agreement to combine merged areas. The bargaining shall be completed by March 15 prior to the academic year in which the agreement to combine merged areas becomes effective or within one hundred eighty days after the organization of the acting board of the new combined merged area, whichever is later. If a bargaining agreement was already concluded in the former merged area which has the collective bargaining agreement that is serving as the base agreement for the new combined merged area, between the former merged area board and the employees of the former merged area, that agreement is void, unless the agreement contained multiyear provisions affecting academic years subsequent to the effective date of the agreement to form a combined merged area. If the base collective bargaining agreement contains multiyear provisions, the duration and effect of the agreement shall be controlled by the terms of the agreement. The provisions of the base agreement shall apply to the offering of new contracts, or the continuation, modification, or termination of existing contracts between the acting or new board of the combined merged area and the combined employees of the new combined merged area.

Sec. 34. Section 260C.47, subsection 1, unnumbered paragraph 1, Code 1995, is amended to read as follows:

The state board of education shall establish an accreditation process for community college programs by July 1, ~~1994~~ 1997. The process shall be jointly developed and agreed upon by the department of education and the community colleges. The state accreditation process shall be integrated with the accreditation process of the north central association of colleges and schools, including the evaluation cycle, the self-study process, and the criteria for evaluation, which shall incorporate the standards for community colleges developed under section

260C.48; and shall identify and make provision for the needs of the state that are not met by the association's accreditation process. If a joint agreement has not been reached by July 1, ~~1994~~ 1997, the approval process provided under section 260C.4, subsection 4, shall remain the required accreditation process for community colleges. For the academic year commencing July 1, ~~1995~~ 1998, and in succeeding school years, the department of education shall use a two-component process for the continued accreditation of community college programs.

Sec. 35. NEW SECTION. 260C.49 RULES.

The department of education shall adopt rules and definitions of terms necessary for the administration of this chapter. The school budget review committee shall adopt rules under chapter 17A to carry out section 260C.18B.

Sec. 36. Section 261.12, subsection 1, paragraph b, Code Supplement 1995, is amended to read as follows:

b. For the fiscal year beginning July 1, ~~1995~~ 1996, and for each following fiscal year, ~~two three thousand nine one hundred fifty~~ dollars.

Sec. 37. NEW SECTION. 261.21 NATIONAL GUARD TUITION AID PROGRAM.

1. Subject to an appropriation of sufficient funds by the general assembly, a member of the national guard who meets the eligibility requirements of this subsection is entitled to attend and pursue any undergraduate course of study at a community college as defined in chapter 260C, or an institution of higher learning under the control of the state board of regents upon the payment by the member personally of fifty percent of the tuition charged by the community college or institution of higher learning. The remaining tuition shall be paid by the college student aid commission from funds appropriated by the general assembly. To be eligible for tuition aid under this section, a national guard member shall meet the following conditions:

a. Be a resident of the state and a member of an Iowa army or air national guard unit throughout each semester or duration of the vocational program for which the member has applied for benefits.

b. Have satisfactorily completed required initial active duty training.

c. Have maintained satisfactory performance of duty upon return from initial active duty training, including attending a minimum ninety percent of scheduled drill dates and attending annual training.

d. Have satisfactorily met the entrance requirements for admission to a community college, or institution of higher learning under the control of the state board of regents, and maintain satisfactory academic progress.

e. Have provided proper notice of national guard status to the community college or institution at the time of registration for the term in which tuition benefits are sought.

f. Apply to the adjutant general of Iowa, who shall determine eligibility and whose decision is final.

2. Participation in the tuition aid program by an accredited private institution, as defined in section 261.9, is voluntary. Subject to an appropriation of sufficient funds by the general assembly, a member of the Iowa national guard who meets the eligibility requirements of subsection 1, except for subsection 1, paragraph "d", is entitled to attend and pursue any undergraduate course of study at any participating accredited private institution, as defined in section 261.9, upon admission to the institution and payment of tuition less an amount equal to fifty percent of the resident tuition rate established for institutions of higher learning under the control of the state board of regents. The remaining tuition, not to exceed fifty percent of the resident tuition rate for a regents university, shall be paid by the college student aid commission from funds appropriated by the general assembly.

3. An eligible member of the national guard, attending an educational institution as a full-time student, shall not receive tuition aid under this section for more than eight semesters, or if attending as a part-time student, not more than sixteen semesters of undergraduate study, or

the trimester or quarter equivalent. A guard member who has met the educational requirements for a baccalaureate degree is ineligible for tuition aid under this section.

4. The eligibility of applicants shall be certified by the adjutant general of Iowa to the college student aid commission, and all amounts that are or become due to a community college, accredited private institution, or institution of higher learning under the control of the state board of regents under this section shall be paid to the college or institution by the college student aid commission upon receipt of certification by the president or governing board of the educational institution as to accuracy of charges made, and as to the attendance of the individual at the educational institution. The college student aid commission shall maintain an annual record of the number of participants and the tuition dollar value of the participation.

5. The college student aid commission shall adopt rules pursuant to chapter 17A to administer this section.

Sec. 38. Section 261.25, subsections 1 and 3, Code Supplement 1995, are amended to read as follows:

1. There is appropriated from the general fund of the state to the commission for each fiscal year the sum of ~~thirty-five~~ thirty-eight million six hundred sixty-four thousand seven hundred fifty dollars for tuition grants.

3. There is appropriated from the general fund of the state to the commission for each fiscal year the sum of one million ~~four~~ six hundred ~~twenty-four~~ eight thousand seven ~~two~~ hundred eighty fifty-seven dollars for vocational-technical tuition grants.

Sec. 39. Section 261.48, unnumbered paragraph 4, Code 1995, is amended by striking the unnumbered paragraph.

Sec. 40. Section 261C.6, subsection 2, unnumbered paragraph 2, Code 1995, is amended to read as follows:

A pupil is not eligible to enroll on a full-time basis in an eligible postsecondary institution and receive payment for all courses in which a student is enrolled. ~~If an eligible postsecondary institution is a community college established under chapter 260C, the contact hours of a pupil for which a tuition reimbursement amount is received are not contact hours eligible for general aid under chapter 260D.~~

Sec. 41. Section 262.9, subsection 4, unnumbered paragraph 1, Code Supplement 1995, is amended to read as follows:

Manage and control the property, both real and personal, belonging to the institutions. The board shall purchase or require the purchase of, when the price is reasonably competitive and the quality as intended, ~~and in keeping with the schedule established in this subsection, soybean-based inks and plastic products with recycled content, including but not limited to plastic garbage can liners. For purposes of this subsection, "recycled content" means that the content of the product contains a minimum of thirty percent postconsumer material. All inks purchased that are used internally or are contracted for by the board shall be soybean-based to the extent formulations for such inks are available.~~

Sec. 42. Section 262.9, subsection 4, paragraphs a, b, and c, Code Supplement 1995, are amended by striking the paragraphs.

Sec. 43. Section 262.9, subsection 10, Code Supplement 1995, is amended by striking the subsection.

**Sec. 44. Section 262.9, Code Supplement 1995, is amended by adding the following new subsection:*

NEW SUBSECTION. 30. *By January 1 annually, submit a report to the general assembly and the legislative fiscal bureau on the facilities overhead use allowance and the amount of*

building and equipment use allowances of the overall indirect cost recovery on federally sponsored research programs. The report shall include the individual institutional policies of distribution of the federal facilities overhead use allowance within each institution of higher learning under the control of the board, and shall be in a format agreed to by the board and the legislative fiscal bureau.*

*Sec. 45. Section 262.34A, Code 1995, is amended to read as follows:

262.34A BID REQUESTS.

The state board of regents shall request bids and proposals for materials, products, supplies, provisions, and other needed articles to be purchased at public expense, from Iowa state industries as defined in section 904.802, subsection 2, when the articles are available in the requested quantity and at comparable prices and quality. The exceptions provided under section 904.808, subsection 1, shall not apply to the state board of regents.*

Sec. 46. Section 272.2, subsection 15, if enacted by 1996 Iowa Acts, House File 455,** is amended to read as follows:

15. Adopt rules that require specificity in written complaints that are filed by individuals who have personal knowledge of an alleged violation and which are accepted by the board, provide that the jurisdictional requirements as set by the board in administrative rule are met on the face of the complaint before initiating an investigation of allegations, provide that before initiating an investigation of allegations, provide that any investigation be limited to the allegations contained on the face of the complaint, provide for an adequate interval between the receipt of a complaint and public notice of the complaint, permit parties to a complaint to mutually agree to a resolution of the complaint filed with the board, allow the respondent the right to review any investigative report ~~for accuracy with its author prior to the submission of the report to~~ upon a finding of probable cause for further action by the board, require that the conduct providing the basis for the complaint occurred within three years of ~~the filing~~ discovery of the complaint event by the complainant unless good cause can be shown for an extension of this limitation, and require complaints to be resolved within one hundred eighty days unless good cause can be shown for an extension of this limitation.

Sec. 47. Section 273.3, subsection 12, Code 1995, is amended to read as follows:

12. Prepare an annual budget estimating income and expenditures for programs and services as provided in sections 273.1 to 273.9 and chapter 256B within the limits of funds provided under section 256B.9 and chapter 257. The board shall give notice of a public hearing on the proposed budget by publication in an official county newspaper in each county in the territory of the area education agency in which the principal place of business of a school district that is a part of the area education agency is located. The notice shall specify the date, which shall be not later than March 1 of each year, the time, and the location of the public hearing. The proposed budget as approved by the board shall then be submitted to the state board of education, on forms provided by the department, no later than March 15 preceding the next fiscal year for approval. The state board shall review the proposed budget of each area education agency and shall before April 1, either grant approval or return the budget without approval with comments of the state board included. An unapproved budget shall be resubmitted to the state board for final approval not later than April 15. For the fiscal year beginning July 1, 1999, and each succeeding fiscal year, the state board shall give final approval only to budgets submitted by area education agencies accredited by the state board or that have been given conditional accreditation by the state board.

Sec. 48. Section 273.3, Code 1995, is amended by adding the following new subsection: NEW SUBSECTION. 22. Meet annually with the members of the boards of directors of the school districts located within its boundaries if requested by the school district boards.

*Item veto; see message at end of the Act

**Chapter 1189 herein

Sec. 49. NEW SECTION. 273.10 ACCREDITATION OF AREA EDUCATION PROGRAMS.

1. The department of education shall develop, in consultation with the area education agencies, and establish an accreditation process for area education agencies by July 1, 1997. At a minimum, the accreditation process shall consist of the following:

a. The timely submission by an area education agency of information required by the department on forms provided by the department.

b. The use of an accreditation team appointed by the director of the department of education to conduct an evaluation, including an on-site visit of each area education agency. The team shall include, but is not limited to, department staff members, representatives from the school districts served by the area education agency being evaluated, area education agency staff members from area education agencies other than the area education agency that conducts the programs being evaluated for accreditation, and other team members with expertise as deemed appropriate by the director.

2. Prior to a visit to an area education agency, the accreditation team shall have access to that area education agency's program audit report filed with the department. After a visit to an area education agency, the accreditation team shall determine whether the accreditation standards for a program have been met and shall make a report to the director and the state board, together with a recommendation as to whether the programs of the area education agency should receive initial accreditation or remain accredited. The accreditation team shall report strengths and weaknesses, if any, for each accreditation standard and shall advise the area education agency of available resources and technical assistance to further enhance the strengths and improve areas of weakness. An area education agency may respond to the accreditation team's report.

3. The state board of education shall determine whether a program of an area education agency shall receive initial accreditation or shall remain accredited. Approval of area education agency programs by the state board shall be based upon the recommendation of the director of the department of education after a study of the factual and evaluative evidence on record about each area education agency program in terms of the accreditation standards adopted by the state board.

Approval, if granted, shall be for a term of three years. However, the state board may grant conditional approval for a term of less than three years if conditions warrant.

4. If the state board of education determines that an area education agency's program does not meet accreditation standards, the director of the department of education, in cooperation with the board of directors of the area education agency, shall establish a remediation plan prescribing the procedures that must be taken to correct deficiencies in meeting the program standards, and shall establish a deadline date for correction of the deficiencies. The remediation plan is subject to the approval of the state board.

5. The area education agency program shall remain accredited during the implementation of the remediation plan. The accreditation team shall visit the area education agency and shall determine whether the deficiencies in the standards for the program have been corrected and shall make a report and recommendation to the director and the state board of education. The state board shall review the report and recommendation and shall determine whether the deficiencies in the program have been corrected.

6. If the deficiencies in an area education program have not been corrected, the agency board shall take one of the following actions within sixty days from removal of accreditation:

a. Merge the deficient program with a program from another accredited area education agency.

b. Contract with another area education agency or other public educational institution for purposes of program delivery.

The rules developed by the state board of education for the accreditation process shall include provisions for removal of accreditation, including provisions for proper notice to the administrator of the area education agency, each member of the board of directors of the area

education agency, and the superintendents and administrators of the schools of the districts served by the area education agency.

Sec. 50. NEW SECTION. 273.11 STANDARDS FOR ACCREDITING AREA EDUCATION PROGRAMS.

1. The state board of education shall develop standards and rules for the accreditation of area education agencies by July 1, 1997. Standards shall be general in nature, but at a minimum shall identify requirements addressing the services provided by each division, as well as identifying indicators of quality that will permit area education agencies, school districts, the department of education, and the general public to judge accurately the effectiveness of area education agency services.

2. Standards developed shall include, but are not limited to, the following:

- a. Support for school-community planning, including a means of assessing needs, establishing shared direction and implementing program plans and reporting progress.
- b. Professional development programs that respond to current needs.
- c. Support for curriculum development, instruction, and assessment for reading, language arts, math and science, using research-based methodologies.
- d. Special education compliance and support.
- e. Management services, including financial reporting and purchasing as requested and funded by local districts.
- f. Support for instructional media services that supplement and support local district media centers and services.
- g. Support for school technology planning and staff development for implementing instructional technologies.
- h. A program and services evaluation and reporting system.

Sec. 51. Section 282.4, subsection 3, Code Supplement 1995, is amended to read as follows:

3. Notwithstanding section 282.6, if a student has been expelled or suspended from school and has not met the conditions of the expulsion or suspension ~~and if the student, or the parent or guardian of the student, changes district of residence,~~ the student shall not be ~~enrolled permitted to enroll in the new a school district of residence~~ until the board of directors of the ~~new school~~ district of residence approves, by a majority vote, the enrollment of the student.

Sec. 52. Section 282.5, Code Supplement 1995, is amended to read as follows:
282.5 READMISSION OF STUDENT.

When a student is suspended by a teacher, principal, or superintendent, pursuant to section 282.4, the student may be readmitted by the teacher, principal, or superintendent when the conditions of the suspension have been met, but when expelled by the board the student may be readmitted only by the board or in the manner prescribed by the board.

Sec. 53. Section 294A.25, subsections 7 and 8, Code Supplement 1995, are amended to read as follows:

7. Commencing with the fiscal year beginning July 1, ~~1993~~ 1996, the amount of fifty thousand dollars for geography alliance, ~~seventy thousand dollars for gifted and talented,~~ and one hundred eighty thousand dollars for a management information system from additional funds transferred from phase I to phase III.

8. For the fiscal year beginning July 1, ~~1995~~ 1996, and ending June 30, 1997, to the department of education from phase III moneys the amount of one million two hundred fifty thousand dollars for support for the operations of the new Iowa schools development corporation and for school transformation design and implementation projects administered by the corporation. Of the amount provided in this subsection, one hundred fifty thousand dollars shall be used for the school and community planning initiative.

Sec. 54. Section 298.9, Code Supplement 1995, is amended to read as follows:
298.9 SPECIAL LEVIES.

If the voter-approved physical plant and equipment levy, consisting solely of a physical plant and equipment property tax levy, is voted at a special election and certified to the board of supervisors after the regular levy is made, the board shall at its next regular meeting levy the tax and cause it to be entered upon the tax list to be collected as other school taxes. If the certification is filed prior to ~~April~~ May 1, the annual levy shall begin with the tax levy of the year of filing. If the certification is filed after ~~April~~ May 1 in a year, the levy shall begin with the levy of the fiscal year succeeding the year of the filing of the certification.

Sec. 55. FUNDS TRANSFERRED. For the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amounts for the purposes designated shall be paid to the department of education from additional funds transferred from phase I to phase III:

1. For support of the Iowa mathematics and science coalition:

..... \$ 50,000

*2. For purposes of the Iowa law and school safety project:

..... \$ 75,000*

3. For supplemental funds for a management information system:

..... \$ 120,000

If funds available are insufficient to fully fund the appropriation for a management information system under this section, the amount distributed for the management information system shall be reduced to an amount equal to the available funds.

Sec. 56. 1996 Iowa Acts, Senate File 2080,** section 70, subsection 1, is amended to read as follows:

1. ~~Sections 260C.24 and Section~~ 303.18, Code Supplement 1995, ~~are~~ is repealed.

Sec. 57. 1996 Iowa Acts, Senate File 2080,** section 16, is repealed.

Sec. 58. REPEAL – DIRECTION TO CODE EDITOR. Section 260C.18A, as enacted in this Act, is repealed effective July 1, 1997. The Code editor shall strike the reference to section 260C.18A in section 260C.34 effective July 1, 1997.

Sec. 59. REPEAL.

1. Sections 225.34, 261.45, 261.52A, and 294.15, Code 1995, are repealed.

2. Chapter 260D, Code and Code Supplement 1995, is repealed.

Sec. 60. EFFECTIVE DATE. The unnumbered paragraph relating to the creation of a dental hygienist program provided for in section 6, subsection 15, of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 61. EFFECTIVE AND RETROACTIVE APPLICABILITY DATES. The sections of this Act which amend section 260C.4, subsection 4, paragraph “h”, and section 260C.47, subsection 1, unnumbered paragraph 1, being deemed of immediate importance, take effect upon enactment and apply retroactively to June 30, 1994.

Sec. 62. Sections 3, 8, and 16 of this Act and section 59, subsection 2, of this Act, being deemed of immediate importance, take effect upon enactment.

Approved May 29, 1996, except the items which I hereby disapprove and which are designated as that portion of Section 4 which is herein bracketed in ink and initialed by me; Section 6,

*Item veto; see message at end of the Act

**Chapter 1034 herein

subsection 1, unnumbered and unlettered paragraph 5 in its entirety; Section 12, subsection 1, paragraph e, unnumbered and unlettered subparagraph 2 in its entirety; Section 13 in its entirety; Section 23 in its entirety; that portion of Section 30 which is herein bracketed in ink and initialed by me; Sections 44 and 45 in their entirety; and Section 55, subsection 2 in its entirety. My reasons for vetoing these items are delineated in the item veto message pertaining to this Act to the Secretary of State this same date, a copy of which is attached hereto.

TERRY E. BRANSTAD, *Governor*

Dear Mr. Secretary:

I hereby transmit House File 2477, an Act relating to the funding of, operation of, and appropriation of moneys to agencies, institutions, commissions, departments, and boards responsible for education and cultural programs of this state and making related statutory changes and providing effective date provisions.

House File 2477 is therefore approved on this date with the following exceptions, which I hereby disapprove.

I am unable to approve the designated portion of Section 4. This item would fund four new programs with dollars from the Tuition Grant Program. The funds that would be used to begin these programs are available for one year only. While these programs have merit, I strongly support the Tuition Grant Program and believe that it is wrong to divert these resources. The tuition grant funds are needed and should remain available to help students with financial need to attend Iowa independent colleges and universities.

I am unable to approve the item designated as Section 6, subsection 1, unnumbered and unlettered paragraph 5, in its entirety. This item would require the Department of Education to embark on a time-consuming review of all departmental recommendations to the Legislature since 1980 and reporting on the legislature's success and failures in implementing them. This assignment would be more appropriately directed to legislative staff.

I am unable to approve the item designated as Section 12, subsection 1, paragraph e, unnumbered and unlettered subparagraph 2, in its entirety. This item directs the Board of Regents to consider relocating the graduate centers under its control. Location of the centers is clearly a governance issue and should be decided by the State Board of Regents.

I am unable to approve the item designated as Section 13, in its entirety. This item would earmark the proceeds from indirect overhead reimbursements to be used exclusively for building repairs. Redirecting these funds could compromise future negotiations and research contracts with the federal government on indirect costs rates. The universities have been fairly conservative in budgeting for indirect cost recoveries. This policy is wise in view of the many uncertainties at the federal level both in terms of provisions of research funds and the rates for indirect cost recoveries that are allowed. The funds should be used for the purposes for which they are received.

I am unable to approve Section 23, in its entirety. This item would prohibit the FINE Foundation from using noncash contributions to satisfy the Foundation's match requirement to receive funds from the Interest for Iowa Schools Fund. A review of the source and amount of funding necessary to support the Foundation is called for in section 9 of the bill. It would be premature to approve any changes in funding until the review is completed.

I am unable to approve the designated portion of Section 30. This item would allow community college cash reserve funds to be used for purposes other than temporary cash shortages. The purpose for the cash reserves is to alleviate temporary cash shortages and the reserves should remain available for that purpose or be returned to the property taxpayers of the community college district.

I am unable to approve Section 44, in its entirety. This item would require the Regents' institutions to report annually the purposes for which certain indirect cost recovery receipts are used. This information is available and has been provided when requested, therefore it is not necessary to impose an annual reporting requirement on the institutions.

I am unable to approve Section 45, in its entirety. This item would establish requirements for purchases of Prison Industry products by the Regents that are different than those applying to all other agencies. All state agencies are encouraged to purchase and use Prison Industry products whenever possible. Any exceptions to such purchases should apply in the same way across state government.

I am unable to approve Section 55, subsection 2, in its entirety. This item would appropriate funds out of Phase I teachers' salary dollars to pay for the costs of a new program which was not recommended in my budget. These resources should rather be used for their intended purpose of improving the competitiveness of beginning teachers' salaries.

For the above reasons, I hereby respectfully disapprove these items in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in House File 2477 are hereby approved as of this date.

Sincerely,
TERRY E. BRANSTAD, Governor

CHAPTER 1216
APPROPRIATIONS - JUSTICE SYSTEM
H.F. 2472

AN ACT relating to and making appropriations to the justice system, creating a drug abuse resistance education surcharge, and providing effective dates.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. DEPARTMENT OF JUSTICE. There is appropriated from the general fund of the state to the department of justice for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For the general office of attorney general for salaries, support, maintenance, miscellaneous purposes including odometer fraud enforcement, and for not more than the following full-time equivalent positions:

.....	\$	5,693,460
.....	FTEs	178.50

It is the intent of the general assembly that of the funds appropriated in this subsection, not more than \$50,000 shall be used to establish an office of veterans advocate as provided in section 13.32, as enacted by this Act.

*Item veto; see message at end of the Act